



# Build Strategic Alliances Platform, Share New Achievements

—— On Management of Agricultural Machinery Distributor

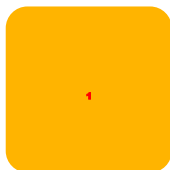
**Beijing, China**  
**July, 2015**

## Personal Introduction

Sun Donghua, graduated from Southwest Agricultural University, majoring in Agricultural mechanization and automation. Now he worked in Gifore Agricultural Machinery Chain Co.,Ltd, which was listed in growth enterprise market. Now he is the deputy general manager of the Agricultural Machinery and Electromechanical Department and in charge of the agricultural machinery business all over the country.



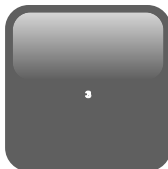
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Strengthening cooperation, Synergetic development drives the development



Collective procurement, leading new marketing methods



Sharing achievements makes a new legend with open culture

## I. Synergetic development witnesses success

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### 1. Strengthening cooperation drives the development.

- Founded in 1994, officially operated in 1998, Gifore consistently pursues its strategic mission of “driving the development of the industry and promoting modern agriculture” , integrates all resources and was listed in the growth enterprise market in October 2009, which is the only listed agricultural machinery circulation company in China.
- In a decade, Gifore has become the largest agricultural machinery circulation company with over 3000 employees and more than 5 billion RMB of sales revenue.

## I. Synergetic development witnesses success

### 2. Expand marketing network

□ Since the implementation of national strategy, Gifore has established about 200 direct-sale stores, more than 2000 service networks.

□ At present, the sales network of Gifore covers 24 provinces, such as Sichan, Guangdong, Fujian, Zhejiang, Beijing, etc.



## I. Synergetic development witnesses success

### 3. Synergetic development helps improve brand value

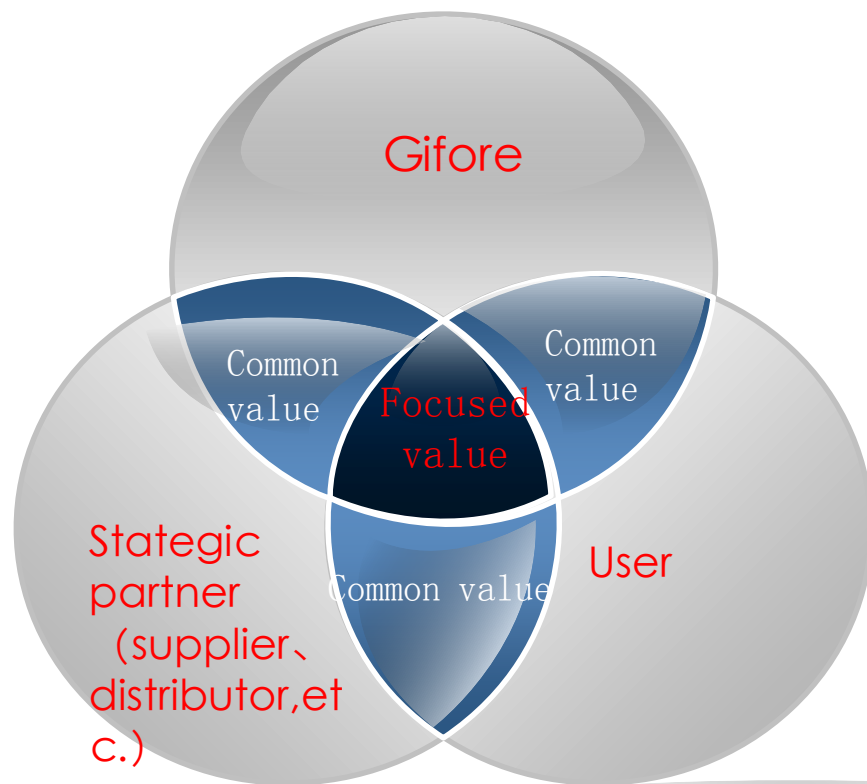
□ Through establishing cooperation with many famous domestic and international brands, now Gifore has become the largest product resources repository including 9 categories such as power machinery, harvester, farming machinery and all kinds of agricultural implements and can provide a complete set of solution for farmers.

□ By strengthening cooperation, Gifore has improves its brand value and brand influence.



## II. Synergetic development changes the layout

### 1. Resource integration, build a profound community of interests



- Gifore advocates “honesty” and “sharing” , and has set up partnership with Kama, Kubota and other enterprises.
- Under the competition of agricultural machinery market after implementing full-payment purchasing and favorable policies, Gifore has allied with many distributors, cooperatives, suppliers to realize joint development.



## II. Synergetic development changes the layout

### 2. National strategy, share risks together



Direct-sale store



Flagship store



Franchises

- ; For all these years, the small-scale, the agricultural machinery circulation industry has been scattered and weak which limits its development. After implementing the national strategy by Gifore, the whole industry enters a phase of integration and manufacturers and distributors has formed a new relationship.
- Now agricultural machinery circulation enterprises have undertaken risks in fund, policy and operation. It is difficult for enterprises to face these risks only. In this way, Gifore builds a platform to share profits and risks.



## II. Synergetic development changes the layout

### 3. Integrative service creates core competitiveness



- Gifore insists on the idea of “services create new value” and actively builds an agricultural machinery service chain to carry out training courses, demonstration and exhibition, secondary-hand machine train.
- Gifore also provide a series of services such as training, salon and maintenance of the machines. With the help of distributors, Gifore carries out centralized services every year, which is spoken highly by customers and gets social recognition. Now, service is becoming one of the core advantages of Gifore.

## III. Synergetic development and leading the industry

### 1. Constellation effect of “big agricultural machinery” appears in domestic market



Traditional  
Agricultural  
Machinery



Loader



Construction  
Machinery



Universal Electro  
machinery

□ In the process of development, Gifore has full coverage of agricultural machinery business including traditional agricultural machinery, truck, construction machinery and universal electrical machinery.

□ For domestic agricultural machinery circulation industry, Gifore combines the main four business segments with sales network which enhances the risk resistance ability.

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## I. Size effect: reducing cost and adding value

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### 1. Size effect

- As a chain business in agricultural machinery circulation industry, Gifore improves its performance by implementing national strategy to enlarge its scale of operation.
- With the rapid development of Gifore, its position in the industry and comprehensive influence improve. At present, Gifore is in partnership with Kubota, John Deere, etc.

## I. Size effect: reducing cost and adding value

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### 2. Reducing cost by deepening cooperation with manufacturers

- In recent years, Gifore continues to explore and optimize order management mode and carries out order negotiation for some orders. It reduces its cost in procurement by deepening cooperation with manufacturers.
- Moreover, Chinese agricultural machinery market has returned to competitive market, and farmers have more pressure on purchasing. So how to reduce cost is an question for both Gifore and its distributors.





## II. Chain-store operators: information release and interactive sales

### 1. Intelligent digital platform to realize standardization in management.



Interface of EAS system

□ Informationization management backstage is the core drive force for the development of the enterprise. Information system in Gifore realizes the coordination of the logistics, after-sale service of all branches. The operation mode has transformed from traditional simple and labor-based mode into modern, intelligent and informationized operation mode.

## II. Chain-store operators: information release and interactive sales

### 2. Release of product information promotes the circulation of inventories.

□ Gifore improves its efficiency in the circulation and sales of inventories and accelerates the cash flow through information system which releases inventory information to its distributors.

□ Gifore also builds a product repository system which makes it possible to search for information of manufacturers and selling points of product and characteristics in operation and interacts with distributors in reference to experience of after-sale service and new products in different regions. In this way, Gifore can make achievements along with its distributors.

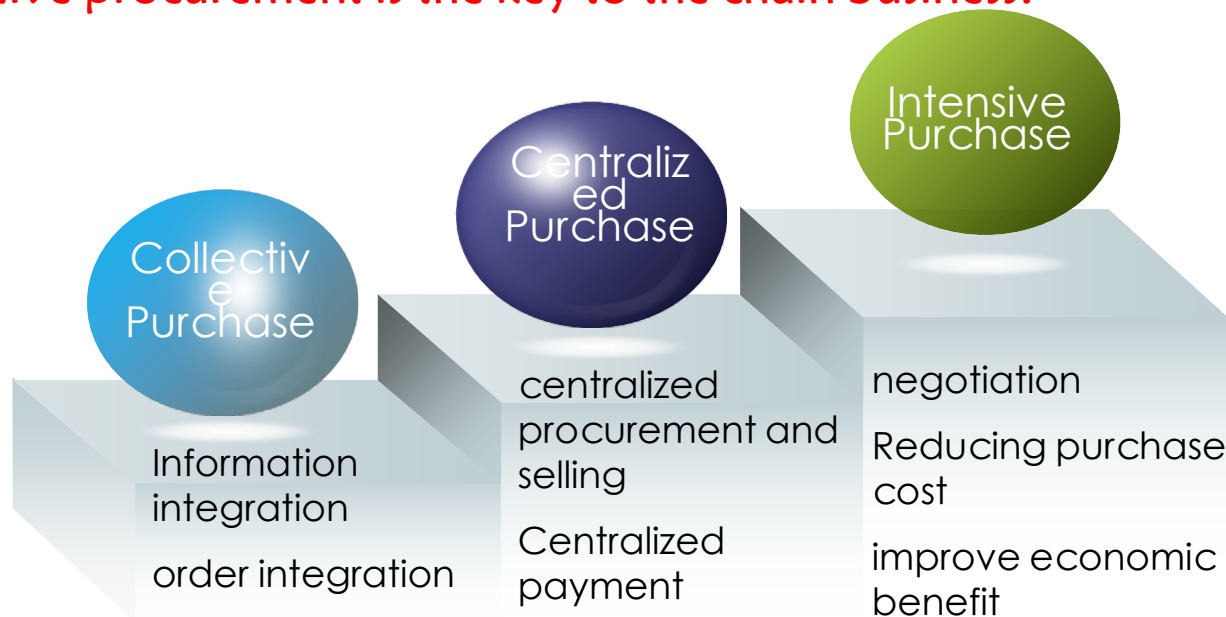


Interface of information release system



## III. Collective procurement: unique marketing method

### 3. Collective procurement is the key to the chain business.



- In the process of development, Gifore takes an operation mode of collective procurement supporting by other modes and conducts different strategies in different phase for different products, integrates the resources of manufacturers and continues to improve its competitiveness.
- At present, the internet + collective upgrading mode for small universal mechanical and electrical product is in trial operation, and the continuous upgrading system of purchasing and marketing is the guarantee for a better business performance in the future.

## III. Collective procurement: unique marketing method

### 2. Focus on the end-users

□ In the first quarter of this year, Gifore will complete the collective purchases of mini-tiller. Realizing centralized purchasing all over the country by bidding and combines Gifore's network and cost-effective products to improve its competitiveness among end-users.

□ Summarize the methods for collective purchase and expand the range of it. Implement systematic and layer management to effectively combine provincial and head quarter collective purchase mode. Meanwhile, lead the market and seize the end-users (reference to the case of Guangdong market) by marketing product extension and demonstration and promotion.



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## 1. Agricultural machinery as main body, supporting by real estate and E-commerce platform

Gifore Group, which was registered in 2013, is a modernized group with the listed company Gifore agricultural machinery as flagship, Homsun real estate and Gifore Yigou E-commerce platform as supporting sectors.



Gifore  
Agricultural  
Machinery Chain



Homsun Real Estate  
Platform



Gifore Yigou E-  
commerce  
platform

## 2. Develop professional market+flagship shop strategy to solve the problem of hard to find a place in market

### **HOMESUN 昊昇三农**

**Program in built: 5**

**Signed agreement: 12**

**Program with initial intent of cooperation**

**Area: 15320 mu**

**Scale of investment: 12.8 billion RMB**



**Build 80-100 flagship shop in 5 years**



## Wusheng Sannong layout

### Northwest ( international Agricultural Machinery Trade City

1.5 square meters with investment of 5.5 billion RMB



### Ningxia (international) Agricultural Machinery Logistics Park

0.4 million square meters with investment of 1.2 billion yuan



### Jiangsu (Suqian) Huadong Agricultural Machinery Auto City

200,000 square meters with investment of 0.5 billion RMB



### Yibin Mechanized Equipment Trade City

450,000 square meters with investment of 1.7 billion RMB

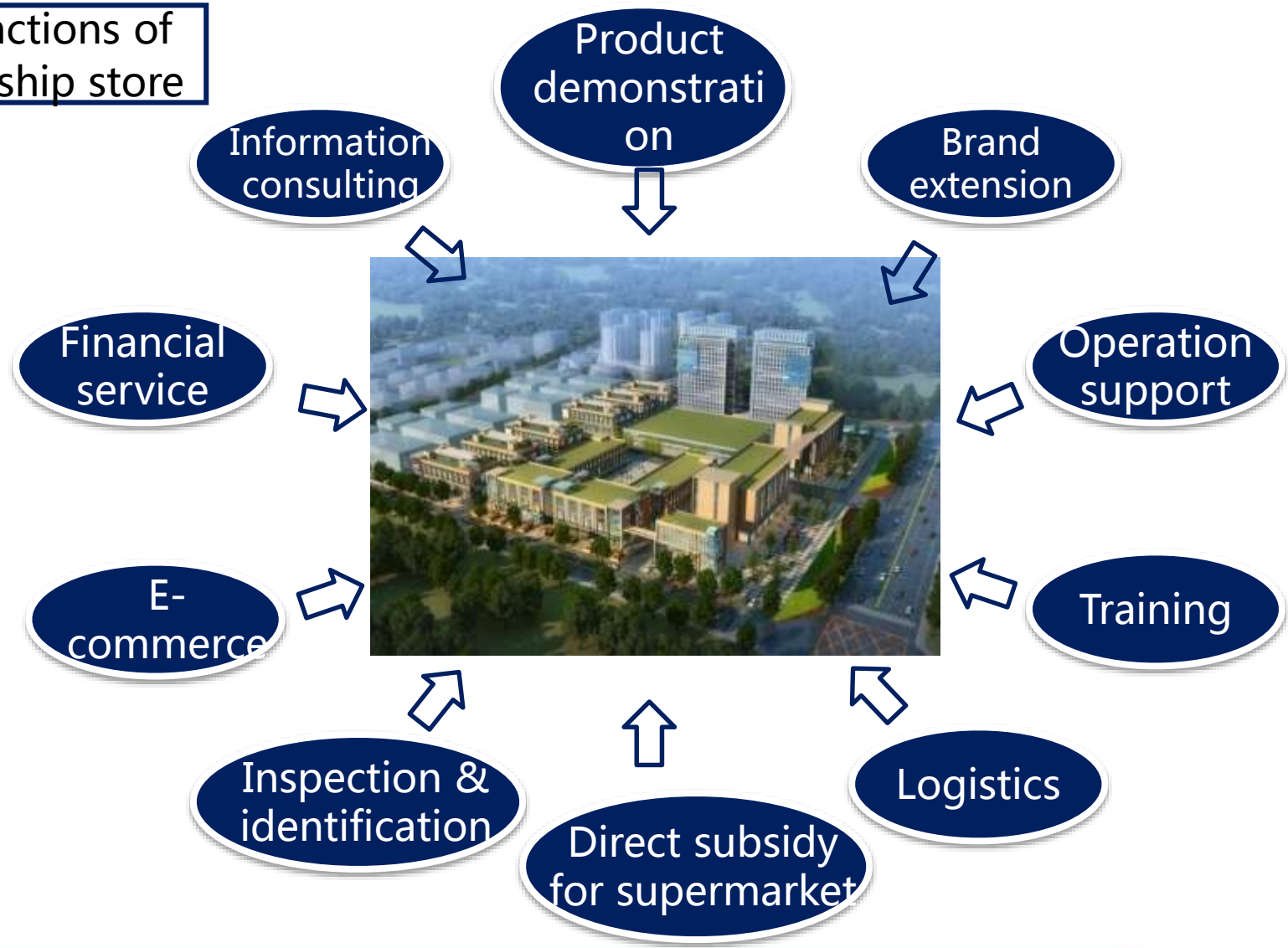


### Sichuan ( Chengdu ) Modern Agricultural Machinery Industry Park

1.2 million square meters with investment of 3.6 billion RMB



## Functions of flagship store

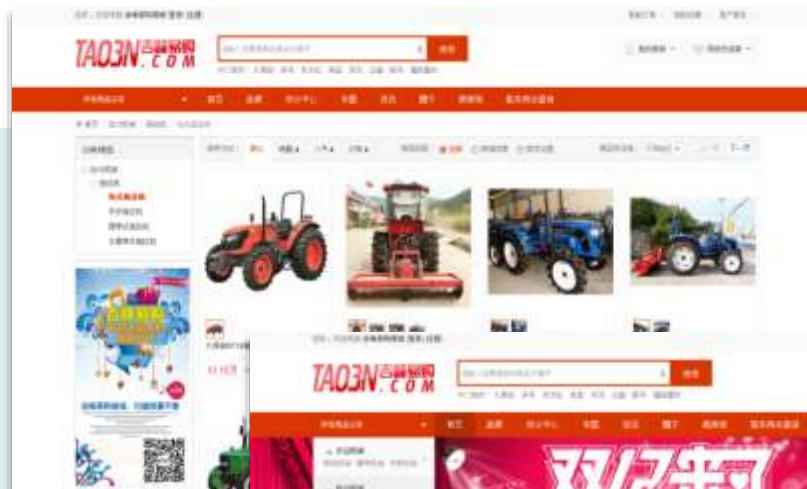




## 3 Build Gifore Yigou E-commerce platform, solve the problem of hard to choose

# GIFORE 吉峰易购

In three years, Gifore will build the largest E-commerce platform in the agricultural machinery industry and promote the integration of online and off-line businesses. Moreover, develop the platform into one with all kinds of agricultural machineries, agricultural materials and agricultural products.



## 4. Build a comprehensive service platform for agricultural machinery and Sannong, solve the problem of providing services to customers

- Provide whole-process mechanization solution to organizational customers



- Complete financial services and cooperative alliance



**Financial service :** Jixintong officially operates financial services, with Xinjaing Gifore as a pilot spot, achieving good results.



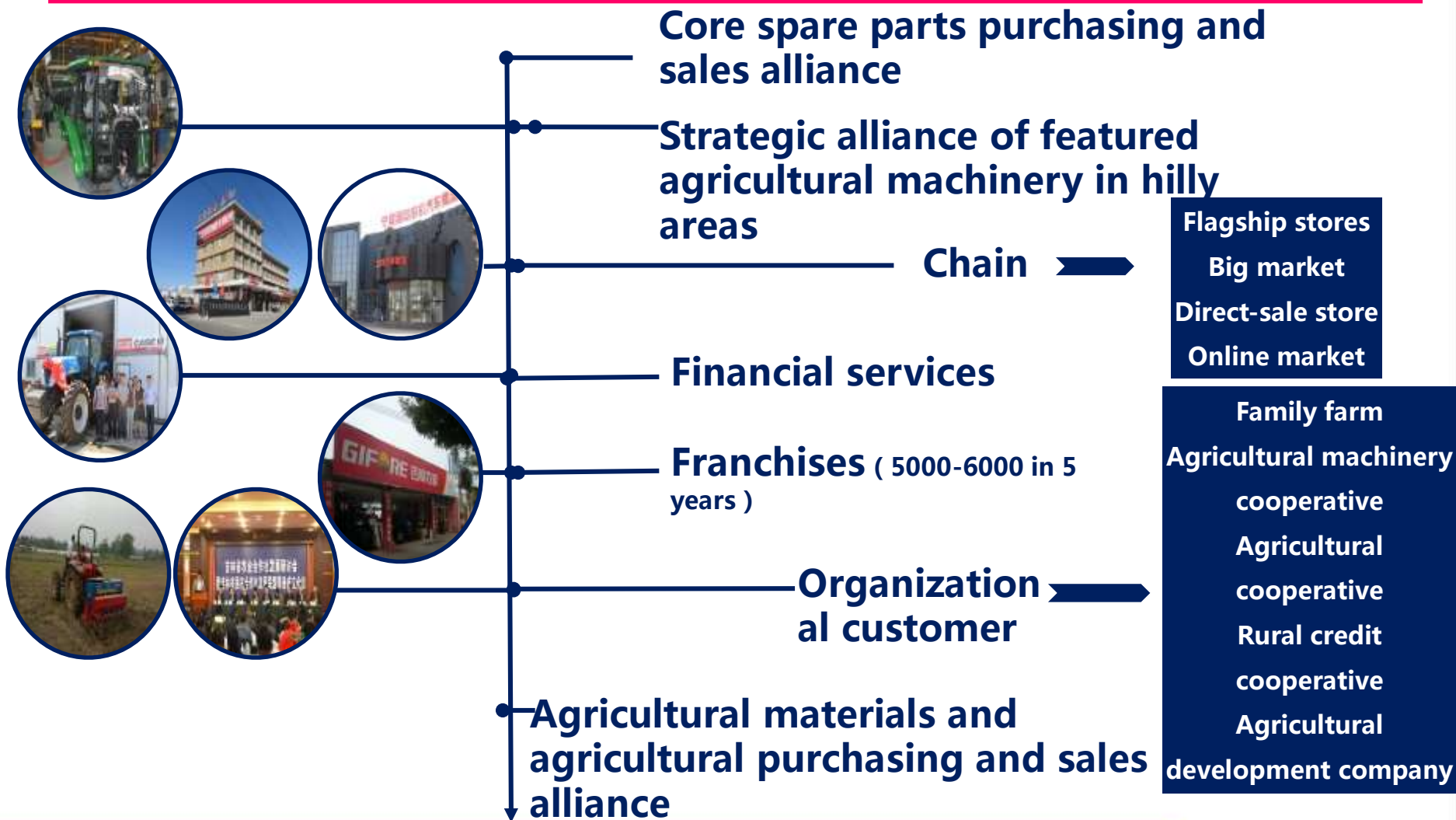
**Cooperative alliance:** Cooperate with local government, association and cooperatives and build a rural economic ecosphere.



· Expand overseas business



III. New chapter with strategic alliances of agricultural machinery and Homsun comprehensive service platform





Thanks!



MR. MA Xianjun

General manager of foreign affairs

Mobile 13618109962